

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 391 - SB 404**

March 29, 2023

**SUMMARY OF BILL:** Requires the Tennessee Board of Regents (TBR) to develop and administer a two-year pilot program beginning in academic year 2023-2024 for the purpose of awarding grants to students enrolled in non-degree workforce training programs identified by TBR. Outlines specific qualifications for student grant eligibility. Requires grant amounts not to exceed the cost of tuition and mandatory fees. Requires TBR to collect and analyze certain data throughout the pilot program and submit the outcome of such data to the Higher Education Commission, the Education Committee of the Senate and to the education committees of the House of Representatives no later than June 30, 2025. The act is repealed on July 1, 2025.

**FISCAL IMPACT:**

**Increase State Expenditures - \$1,721,700/FY23-24  
\$1,721,700/FY24-25**

Assumptions:

- The majority of all non-degree seeking workforce training programs are expected to be offered at a Tennessee College of Applied Technology (TCAT); therefore, the following estimates are based on programs offered at TCATs.
- Based on information provided by TBR in academic year 2021-2022, data on students enrolled in a non-degree workforce training program at a TCAT are as follows:
  - 6,103 students took a lineworker training class at an estimated cost of \$250 per student.
  - 3,959 students took various other training programs at an estimated cost of \$450 per student.
- The tuition cost for lineworker training programs for all TCATs was \$1,525,750 (\$250 cost x 6,103 students) in FY21-22.
- The tuition cost for the other various training programs for all TCATs was \$1,781,550 (\$450 cost x 3,959 students) in FY21-22.
- The total tuition cost for all TCAT students enrolled in a non-degree workforce training program in academic year 2021-2022 is estimated to be \$3,307,300 (\$1,525,750 + \$1,781,550).
- Tuition and enrollment rates are expected to remain constant during the pilot program for all TCAT non-degree workforce training programs.

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- It is estimated that only half the number of the previously enrolled students would be eligible for a grant under the pilot program eligibility rules, resulting in an increase in state expenditures of \$1,653,650 ( $\$3,307,300 / 2$ ) in each FY23-24 and FY24-25.
- Currently, TBR does not have resources in place to operate a grant scholarship program and would need to hire an additional staff member for oversight, administration, and coordination with the individual TCATs, and to collect, analyze and compile the data for the required report.
- TBR will require one additional Financial Aid Associate position beginning in FY23-24 and ending in FY24-25.
- The proposed legislation requires all funding for the grant program to be appropriated from the General Fund.
- There will be a recurring increase in state expenditures of \$68,095 [(\$52,111 salary + \$15,984 benefits) x 1 Financial Aid Associate position] in FY23-24 and in FY24-25.
- The total increase to state expenditures from the General Fund for the pilot program is estimated to be \$1,721,745 (\$1,653,650 tuition grants + \$68,095 position cost) in each FY23-24 and in FY24-25.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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